

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;  
Mark Acton, Vice Chairman;  
Ruth Y. Goldway;  
Tony Hammond; and  
Nanci E. Langley

Periodic Reporting  
(Proposal Thirteen)

Docket No. RM2015-7

NOTICE AND ORDER ON PETITION FOR RULEMAKING  
(PROPOSAL THIRTEEN)

(Issued December 18, 2014)

I. INTRODUCTION

On December 11, 2014, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting the Commission's initiation of an informal rulemaking proceeding to consider a proposed change to analytical principles relating to periodic reports.<sup>1</sup> The subject of the Petition is Proposal Thirteen, Updating the City Carrier Street Time Model.

The Petition includes two attachments. One is a summary of Proposal Thirteen (Summary); the other is a Report on City Carrier Street Time Study (Report). *Id.* at 1.

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<sup>1</sup> Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Change in Analytical Principles (Proposal Thirteen), December 11, 2014 (Petition).

The Postal Service characterizes the Report as a more comprehensive discussion of the Proposal. Petition at 1. The Postal Service concurrently filed two library references, along with an application for non-public treatment for one.<sup>2</sup>

The Postal Service notes that Proposal Thirteen encompasses a subject which has been extensively discussed as part of the strategic rulemaking in Docket No. RM2011-3, Priorities for Future Data Collection and Analytical Work Relating to Periodic Reporting. It therefore states that it would simultaneously file a notice in that docket informing participants that it has presented Proposal Thirteen in this case.<sup>3</sup> Petition at 1.

## II. SUMMARY

*City carrier street time costs.* The city carrier network is the largest part of the Postal Service's delivery network, incurring a total direct labor cost in Fiscal Year (FY) 2013 of almost \$16 billion, of which over \$12 billion were in street time costs. *Id.* Summary at 1. These city carrier street time costs represented 16.7 percent of total Postal Service FY 2013 costs. *Id.*

*Scope of proposal.* Proposal Thirteen concerns changes to the city carrier street time model, which is used to determine the attributable street time costs in cost segment 7, City Carriers–Street Activities. *Id.* The Postal Service characterizes the changes as an update and improvement to the city carrier street time model. *Id.* at 2. It proposes accomplishing this by updating and refining the three main components of the model: construction of the cost pools, estimation of regular delivery variabilities, and

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<sup>2</sup> Notice of Filing of USPS-RM2015-7/1, USPS-RM2015-7/NP1, and Application for Nonpublic Treatment, December 11, 2014 (Notice). Library Reference USPS-RM2015-7/1 includes the Report the Postal Service filed along with the Petition. Library Reference USPS-RM2015-7/NP1 contains supporting non-public material. The Notice incorporates by reference the Application for Non-Public Treatment of Materials contained in Attachment Two to the December 27, 2013 United States Postal Service Fiscal Year 2013 Annual Compliance Report. Notice at 1. See 39 CFR part 3007 for information on access to non-public material.

<sup>3</sup> See Docket No. RM2011-3, Notice of the United States Postal Service of Filing Proposal to Update City Carrier Costing, December 11, 2014.

estimation of package and accountable delivery variabilities. *Id.* In addition, the Postal Service asserts that improvements in the city carrier operational data systems have made it possible to use these systems to produce data needed for the update. *Id.* It states that this improvement allows all three parts of the model to be based upon larger, more stable, data sets and improved the statistical foundation for calculating attributable street time costs. *Id.*

*Anticipated implementation date.* The Postal Service anticipates implementing this methodology change as the basis for FY 2015 reporting of city carrier street time costs. Petition at 2.

### III. INITIAL COMMISSION ACTION

The Commission establishes Docket No. RM2015-7 for consideration of matters raised by the Petition. Additional information concerning the Petition may be accessed via the Commission's website at <http://www.prc.gov>.

A technical conference will be held on January 14, 2015, at 10:00 a.m. Eastern Standard Time in the Commission's hearing room.<sup>4</sup> The technical conference will be audiocast. The Postal Service is to ensure that persons familiar with Proposal Thirteen and the supporting data and information that have been filed in this docket attend and, to the extent required, participate in the technical conference.

Interested persons may submit comments on the Petition and Proposal Thirteen no later than March 11, 2015. Reply comments are due no later than April 8, 2015.

Pursuant to 39 U.S.C. 505, Katalin K. Clendenin is designated as an officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

Any additional documents the Commission issues in this docket will be posted on the Commission's website (<http://www.prc.gov>), with redaction of protected material if warranted.

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<sup>4</sup> Attendees are advised to allow sufficient time for security procedures.

#### IV. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission establishes Docket No. RM2015-7 for consideration of the matters raised by the Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Change in Analytical Principles (Proposal Thirteen), filed December 11, 2014.
2. A technical conference will be held on January 14, 2015, at 10:00 a.m. in the Commission's hearing room at 901 New York Avenue, NW, Suite 200, Washington, DC 20268-0001.
3. The Postal Service is to ensure that persons familiar with Proposal Thirteen, including supporting data and information that have been filed in this docket, attend and, to the extent required, participate in the technical conference.
4. Comments are due no later than March 11, 2015. Reply comments are due no later than April 8, 2015.
5. Pursuant to 39 U.S.C. 505, the Commission appoints Katalin K. Clendenin to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.

6. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove  
Secretary